STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: Arizona

THIRD PARTY LIABILITY

4.22(b)(1):

Frequency of data exchanges required by 42 CFR 433.138 (d) (1), State Wage Information Collection Agency (SWICA), and SSA Wage and Earnings Files.

The Arizona Health Care Cost Containment System (AHCCCS) conducts data exchanges as required by federal law.

The State Wage and SSA Wage Earnings Information is provided to AHCCCS by the Arizona Department of Economic Security (DES), which is the State's designated Income and Eligibility Verification System (IEVS) agency. DES performs all matches against tapes which are provided by AHCCCS on a monthly basis. The State Wage and SSA Wage Earnings data requests, received from AHCCCS, are merged with those of DES and submitted on a monthly basis to the appropriate agency. DES forwards the "full file" response to AHCCCS for processing.

Frequency of data exchange required by 42 CFR 433.138(d)(3), IV-A Agency.

The DES refers TPL information to AHCCCS on a daily basis.

Frequency of data exchange required by 42 CFR 433.138(d)(4)(i), State Workers Compensation or Industrial Accident Commission.

Previously, AHCCCS was unable to accomplish a data match with the Industrial Commission for Worker's Compensation information and HCFA had deemed this requirement as having been met in a letter dated July 12, 1994. However, due to a data system change at the Industrial Commission, AHCCCS was able to complete its first data match for Workers' Compensation information in March 1998. The data has been referred to the AHCCCS TPL Contractor to begin a cost avoidance and recovery investigation. AHCCCS will conduct a data match on Workers' Compensation information on a quarterly basis.

Frequency of data exchange required by 42 CFR 433.138(d)(4)(ii), State Motor Vehicle accident report files.

The requirement that AHCCCS conduct a data match with MVD was deemed as having been met in a letter from HCFA, dated January 30, 1990.

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AHCCCS does not conduct a data match with the State Motor Vehicle Department (MVD) at this time. Previously, in attempting to conduct a data match, it was determined that MVD does not require the Social Security Number (SSN) to be included in the MVD record, and the SSN is necessary for matching to AHCCCS records. Additionally, a complete data match has not been feasible because the information collected by the MVD that AHCCCS needs to identify potential cases has been stored in separate data banks (computer systems).

For several years, the MVD has been working on a plan for implementing a new computer system which will merge all MVD data into one system. Although the MVD does not require the inclusion of an applicant's SSN, it can be and often is provided by the applicant and included in the applicant's record. Therefore, there is a possibility of matches to the MVD record, if and when, the three data banks are merged. Should a merged MVD computer system become reality, AHCCCS and its TPL Contractor will meet with the MVD representatives to discuss the feasibility and time frame for conducting future data matches.

Frequency of the diagnosis and trauma code edits 800-999 (excluding 994.6) per 42 CFR 433.138(e).

AHCCCS produces a monthly tape of paid claims showing diagnosis and trauma codes of 800-999 (excluding 994.6) and submits data to the TPL Contractor for processing.

4.22(b)(2):

Methods used for meeting the follow-up requirements contained in 42 CFR 433.138(g)(1)(i), SWICA, SSA Wage and Earnings Files, and IV-A Agency.

AHCCCS and the DES Division of Benefits and Medical Eligibility (DBME) workers identify and verify the employer group information, including the TPL information, by contacting the employer through IEVS leads based on information obtained from the SWICA and SSA Wage and Earnings files. The DBME eligibility interviewer (EI) obtains verification whenever TPL resources are indicated. Third Party Liability information is inputted into the DBME computer system. This information is transmitted nightly to AHCCCS. Once entered into the AHCCCS Prepaid Medical Management Information System (PMMIS), the information is communicated to the health plans via the enrollment roster which provides the insurance carrier name.

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The DES Division of Child Support Enforcement (DCSE), which is the State IV-D Agency, plays a major role in medical support enforcement. DCSE is responsible for transmitting relevant heath insurance information to AHCCCS when medical support is secured. Information is verified through the absent parent's employer via the CS-157 after using the locate service and is then entered into the Arizona Tracking and Location Automated System (ATLAS). DCSE transmits a monthly tape to AHCCCS which contains all TPL adds, changes, and deletes.

Method for meeting the follow-up requirements contained in 42 CFR 433.138(g)(2)(i), Health insurance information and Workers' Compensation data exchanges.

The DES and ALTCS eligibility workers request and document all medical coverage information on the application. DES sends a nightly eligibility tape to AHCCCS.

The valid information is entered and maintained in the appropriate PMMIS/TPL computer file. All updates to the member's TPL file occur within seven working days after receipt of the information. The AHCCCS Member File Integrity Section (MFIS) maintains the actual copies of the referrals received from the various agencies and the on-line updates document. The daily referrals are batched and filed by date of update, for future reference. If there is a need to verify to a particular TPL referral, PMMIS is checked for the original date of update and then compared with the original referral.

Once the tape is received and matched against PMMIS, any new information is transmitted to the health plan via its enrollment roster, which is a "yes" or "no" TPL indicator and includes the insurance carrier's name.

AHCCCS completed its first data match with the Industrial Commission of Arizona for Worker's Compensation information in March 1998. The AHCCCS TPL Contractor is analyzing the information for cost avoidance and recovery action.

<u>4.22(b)(3)</u>:

Method used for meeting the follow-up requirements contained in 42 CFR 433.138(g)(3)(i)(iii), State motor vehicle accident report file data exchanges.

AHCCCS does not conduct a data match with the state Motor Vehicle Department (MVD) at this time. Previously, in attempting to conduct a data match, it was determined that MVD does not require the Social Security Number (SSN) to be included in the MVD record, and the SSN is necessary for matching to AHCCCS records. Additionally, a

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complete data match has not been feasible because the information collected by the MVD that AHCCCS needs to identify potential cases has been stored in separate data banks (computer systems).

For several years, the MVD has been working on a plan for implementing a new computer system which will merge all MVD data into one system. Although the MVD does not require the inclusion of an applicant's SSN, it can be and often is provided by the applicant and included in the applicant's record. Therefore, there is a possibility of matches to the MVD record, if and when, the data banks are merged. Should a merged MVD computer system become reality, AHCCCS and its TPL Contractor will meet with the MVD representatives to discuss the feasibility and time frame for conducting future data matches.

<u>4.22(b)(4)</u>:

Method used for following up on paid claims contained in 42 CFR 433.138(g)(4)(i)(ii)(iii), diagnosis and trauma code edits.

AHCCCS contracts with a TPL Contractor to perform all of its TPL recovery activities and required TPL data matches.

AHCCCS conducts diagnosis and trauma code edits for codes 800 through 999, with the exception of code 994.6, for all fee-for-service claims. HCFA developed a list of codes shown to be unproductive and offered a blanket waiver to all states. AHCCCS adopted HCFA's recommendation and edited all of the ICD-9 codes listed. The following list of codes are currently being edited from the Trauma Code Edit Report: 900 - 919.5, 921.3, 930, 931 - 939.9, 942.22, 944.20, 945, 946.2, E950 - E958.8, 958.3, 960 - 979.9, 980 - 980.9, 981, 986, 989.5, 990 - 995.89, 996 - 998.9 and 999.8.

AHCCCS provides a monthly tape to the TPL Contractor which contains AHCCCS paid claims, including the diagnosis and trauma codes. The TPL Contractor matches the Trauma Code Edit tape against existing accounts on their Case Tracking System. If a match is not made, but the claim is over the $250.00 threshold, and the referral date is less than 120 days prior to the date the tape is received, then the account on the tape is loaded into the Case Tracking System for potential recovery.

A medical lien is filed against the member for possible third party recovery if the claims have a referral date that is less than 60 days prior to the date the tape is received. However, due to statutory provisions which require the filing of liens within 60 days from the date of notification of injury, a lien is not filed where the date of notification is more than 60 days

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from the date the referral is received. In these cases, AHCCCS uses its subrogation rights or assignment of rights to pursue recovery.

A referral for subrogation is issued on claims where the date of notification is between 60 and 120 days from the date of referral and the total claim amount is $250.00 or more. Claims with a date of notification which is more than 120 days from the date of referral are not processed by the TPL Contractor, thereby avoiding duplication of cases which are received from other referral sources, i.e., contracted health plans, providers, attorneys, etc. The TPL Contractor mails a questionnaire to the member at the time the case is opened. The determination of third party liability is identified from the response to the questionnaire returned by the member and/or a responsible third party in those instances where a lien is filed or subrogation rights are used. Members are asked to respond within 10 days of receipt of the questionnaire. If the questionnaire is returned indicating an incorrect address, a letter is sent to the eligibility office where the member was determined eligible requesting the address be verified with the office records and that any difference be referred to the TPL Contractor for correction of their information. The TPL Contractor will then remail the questionnaire using the corrected address information.

If, after 30 days, the completed questionnaire is not returned by the member, a letter is sent asking the member to contact the TPL Contractor. If a response to the letter is not received within 30 days, the TPL Contractor will attempt to contact the member by telephone, if a telephone number is available. If the member cannot be contacted by telephone, another letter is sent to the member stating that AHCCCS is requesting that the member contact the TPL Contractor. If, after 30 days, there is no response to this letter, the case is filed and periodically reviewed. Additional attempts to contact the member are made at each review. If no contact occurs within two years, the file is closed and archived.

If the questionnaire or other referral source identifies Third Party Liability information, multiple efforts are made by the TPL Contractor to recover funds from the potentially liable source. All health insurance information obtained is immediately referred to the AHCCCS MFIS Unit for entering into the PMMIS Recipient Subsystem within seven working days of receipt. All casualty insurance information is entered into the TPL Contractor's case management system to track.